

40.2 - Payment Limit for Purchased Services

(Rev.16, 10-31-03)

For payment instructions for Physician purchased diagnostic tests refer to the Claims Processing Manual 100-04, Chapter 1, §30.2.9, Chapter 13 §20.2.4ff.

When an Independent Laboratory (IL) bills for the technical component (TC) of a physician pathology service purchased from a separate physician or supplier, the payment amount for the TC is based on the lower of the billed charge or the Medicare Physician Fee Schedule. The purchase diagnostic test payment provision does not apply, thus, the purchase service information shall not be entered on the claim.

All purchased diagnostic services are based on the Medicare Physician Fee Schedule and are subject to the jurisdiction rules for that fee schedule.

The IL must perform at least one of the component services. If they purchase both the PC and the TC services, only the physician or supplier that performed those services may bill.